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ABSTRACT

Executive committee chairman of the Primerica Corporation and chairman of the board of directors of the Institute for Educational Leadership stresses how difficult change is for all organizations and how, in the business as well as education worlds, external forces have compelled responses. The similarities and differences in the management and leadership issues facing school leaders are addressed. Three educational issues exemplify the main idea that when external challenges and pressure are particularly powerful, the adversarial relationship that often exists within institutions begins to moderate, and rapproachment that once was considered nearly impossible becomes a reality. These issues are (1) demography of the public schools; (2) effective schools research; and (3) teachers and their environment. (SI)

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A Message on

Managing Change

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from

William S. Woodside

Chairman, Executive Committee
Primerica Corporation

Chairman, Board of Directors
Institute for Educational Leadership

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A Message from
Richard D. Miller, Ed. D.

Executive Director
American Association of
School Administrators

We are pleased to disseminate this important speech by business leader William S. Woodside to the nation's school superintendents and other educational and community leaders. When Mr. Woodside first presented this message at AASA's 1987 I Care Legislative Conference, he received a standing ovation. It was clear at that time that his unusually insightful and significant perspectives on managing change warranted the widest possible audience.

While acknowledging the fundamental differences between private and public sector leadership and the special problems of resource constraints and political complexities in the latter, Bill Woodside cogently discusses common problems of "managing change." He stresses how difficult change is for all organizations and how, in the business as well as the education worlds, external forces have compelled responses. Bill Woodside, in reshaping a major American corporation, was forced—because of economic change and shifting technology—to decentralize and provide more flexible management systems. Otherwise, his company would not have been able to compete and provide the incentives and autonomy to retain talented employees.

In his presentation, he realistically addresses the similarities and differences in the tough management and leadership issues confronting both business and school leaders. School people, for example, are reminded that business leaders also have to deal with concerns about systemwide accountability and its relationship to the delegation of authority and autonomy at the operational levels of an organization.

Bill Woodside's message to school superintendents (his "fellow CEO's") is clear and upbeat. Superintendents are uniquely positioned, he believes, to both *initiate* and *manage* change. And he also believes they *must* take the center stage if American education is to make the necessary improvements. Mr. Woodside's clarion call for strong local initiatives reaffirms the crucial role to be played by school superinten-

dents and the exciting opportunities they have to lead in this period when the importance of education is so widely acknowledged.

We are grateful to Michael D. Usdan, president of the Institute for Educational Leadership, and Louise Clarke, director of administrative services at IEL, for their assistance in making publication of Mr. Woodside's message possible.

A Message on

Managing Change

In preparing these remarks, I came to learn that the average tenure of a school superintendent is about five and a half years.

I think you ought to look at that figure on the bright side. ***Nobody can call you entrenched management.***

Being a school superintendent is a difficult and demanding job—far more difficult in some respects than being a corporate CEO. We both have our problems, but superintendents seem to operate under many more constraints and with considerably fewer resources than those of us in the private sector. And because superintendents function in the public arena, they are required to possess more diplomatic skills and demonstrate them more often.

So one reason I was happy to accept AASA's invitation was to have the opportunity to tell a group of fellow CEO's who do not get enough recognition that they are doing a remarkable job under some very trying circumstances. In fact, the more deeply I become involved in my own responsibilities as chairman of the Board of Directors of the Institute for Educational Leadership, the more I appreciate the complexities involved in administering a modern school system.

*Please note that the subheadings have been added to the text of Mr. Woodside's speech to highlight key points.

The second reason I'm glad to be here is to talk with you about the subject of managing change.

In the last several years, there has been a great outpouring of national concern regarding the status and future of public education in this country. Virtually every expression of concern has been accompanied by a package of recommendations for change.

It may be too soon to know the precise significance of the changes being recommended, but there can't be much doubt in anyone's mind that the central actors in this process of change are going to be the superintendents—certainly as managers, hopefully as initiators.

I have had no direct experience running a public school system, although I have been involved with the public schools in a variety of ways for the past 10 years. I did, however, take the American Can Company through a period of extensive change and reorganization.

Our process of change was difficult and, like your current situation in education, was dictated by external forces that left us little choice but to respond. Within a period of a few short years, we went from a company that manufactured cans to a company whose primary businesses were financial services and specialty retailing. We did this because we didn't have much choice. Economic conditions and changing technology told us our days were numbered. We could either squeeze as much as possible out of a slowly dying business, or we could reorganize and diversify.

That wasn't the whole story, though. Once our business changes were underway, we had to give some hard thought to what kind of company we would become in a management sense.

The old American Can was a highly centralized and hierarchical company. Our new businesses

required management systems that were more flexible and that lent themselves to quicker decisions. If our managers had to follow the old system—and run every decision up the chain of command and wait for an answer before acting—there wasn't a chance in the world that we would succeed in these new ventures.

We also had become top heavy with managers who lacked any real operating responsibility. Good ideas were getting lost in our bureaucracy. Some of our brighter young people felt their working environment was too stifling, too limiting. They wanted a chance to demonstrate their abilities, to exercise some independent judgement—and they found it . . . somewhere else.

So we took a calculated gamble. We set up a new management system. We trimmed our corporate bureaucracy and told the heads of our individual businesses that, within some broad guidelines, they were free to run their businesses as they saw fit. They not only had operating authority, they also had autonomy.

They would take control of their own operations.

They would receive credit when they succeeded.

But they would be held accountable when they did not.

At this point, you probably are saying to yourselves: "Wonderful. Bill Woodside stopped making cans and started selling insurance and catalogue products. But what does that have to do with us? We are not faced with a choice of bailing out or reorganizing. Our problem is how to educate children for the 21st century."

You are absolutely right. There is no exact comparison. Developing the right educational structure is worlds apart from developing a new product line or beefing up sales.

But if you take a broader view and look at some major educational issues on the horizon, you may see something else. You may see some

surprising similarities between the position many of you are in today, and the position in which I found myself a dozen years ago.

Three examples may help make the point:

- **One involves the demography of the public schools.**
- **The second concerns research on factors that seem to account for effective schools.**
- **The third concerns the role and status of teachers.**

Current demographic data say the one fact most districts can count on is that their minority population will increase. It will increase in districts that are gaining students. It will increase in school districts that are losing students.

The minority population will not only be larger, it will be more diverse. In many areas, dramatic changes in immigration patterns have produced a minority population that may be more diverse and more complex than any since the great migration from Europe at the turn of the century. If that proves to be true, then a large number of school superintendents and principals will be confronted with a mix of children that is quite different from what they have experienced before.

Another demographic trend concerns the family life of our school-age population. Thirty years ago, 56 percent of all U.S. households consisted of a father, a housewife mother, and two or more school-age children. In 1980, that unit exists in only 11 percent of U.S. homes. In 1985, it existed in only 7 percent.

In addition, demographer Harold Hodgkinson

reports an increase of epidemic proportions in the number of children born out of wedlock, with a full 50 percent of those children born to teenage mothers. The pattern of poor learning, says Hodgkinson in a report prepared for the Institute for Educational Leadership, is not difficult to predict. Teenagers give birth more often to premature babies. Prematurity leads to low birth weight. Low birth weight is a good predictor of major learning difficulties.

Some 3.3 million babies are born in this country each year. Hodgkinson's data indicate that 700,000 of these babies will fall into a category where they "are almost assured of being either educationally retarded or difficult to teach." Moreover, he says, "this group is entering the educational system in rapidly increasing numbers."

I realize this is broad, general, unrefined, and even *controversial* data. In its current stage, it cannot be used even to predict the extent to which any individual school district will be affected by these trends, or whether a school district will be affected at all. But data like these are not supposed to provide that kind of information. They are only supposed to suggest trends and patterns. Their purpose is to raise questions, not provide answers.

As a matter of fact, the data that prompted American Can's reorganization weren't much more sophisticated. We couldn't use them to make long-range plans or projections. But we could use them, and we did, as guideposts to point us in the right direction.

In that sense, the raw and unrefined data that at first appeared to have no practical value became the basis for the analysis we subsequently conducted on economic trends and consumer demand. The information became the impetus for a process that resulted in our looking at 120 different types of businesses before deciding on the 2 that would constitute the new American Can Company.

The natural tendency for us, and for any organization facing the prospect of change, would have been to wait for more information before making a decision, even a research and planning decision. But my experience is that **the longer an organization waits, the greater the risk that events will take control**, and that the organization gradually will lose the ability to shape and direct its own future.

You know better than anyone that effective schools research suggests that the most successful and enduring educational change occurs, and is sustained, in those settings where there is effective leadership at the school building level. Effective educational change, the research seems to say, occurs in an environment where:

- There are explicit expectations regarding students and learning.
- The school principal functions as a catalyst rather than as a person who gives orders.
- Teachers are involved in the decision-making process.
- Parents are appropriately involved.

Questions to Address

When you combine these findings with the demographic data, a number of questions come to mind:

- Do our existing school systems have the capacity and the flexibility to meet the challenges that will be placed on them in the years ahead?
- Have we reached the point in public education when we need to begin looking more closely at decentralized management systems that grant more autonomy at the building level?
- If individual schools are going to be granted more autonomy, what kinds of accountability can be built into such a system?
- In a decentralized system, which functions can be delegated and which cannot?

These are exceedingly complex questions. There is no question in my mind that the public sector is a much more difficult and restrictive area in which to answer them than the private sector would be. Nevertheless, these questions are not too far afield from the questions we at American Can first asked ourselves when we began to wonder if our old management system

could support and sustain our new businesses.

So if you are inclined to start looking into matters like this, you may want to do something similar to what we did: Involve all your key people in your planning and your decision making. In my case, that meant officers, division heads, and some specialists. In your case, it could mean principals, supervisors, department heads and, hopefully, teachers.

We started out with just a half dozen officers who met once a week. But all of top management eventually was brought into the process so we could have a full flow of ideas and make sure we considered all the alternatives.

That kind of participation certainly helped me make up my mind on some issues, but its primary benefit was that all our managers participated in our decisions. We may not have made decisions everyone agreed with, but we made decisions everyone was more willing to carry out because their case had been heard. The process, incidentally, helped us anticipate some problems we had not anticipated and reach some solutions we had not considered.

Practically every school district in the country now faces the question of how to maintain a high quality teaching staff during the next 10 years. Many older teachers are nearing retirement, and many of our best young teachers are looking for better career opportunities elsewhere.

Salary is one issue that pushes teachers out the door. Another is the working environment—the sense that they are caught in a situation in which their talents are not allowed to develop and grow.

That's exactly the same problem we had with many of our younger employees. They felt tied up by rules, regulations, and procedures. What they needed was a working environment that challenged them, an environment in which they could feel effective and productive without feeling a big manager was hovering over their shoulder, or that the company bureaucracy was constantly s. rching for ways to prevent them from doing something. 12

In part, that is why we moved to a decentralized system of management in which unit managers and their team became centers of authority and autonomy. That decision in turn helped us peel away layers of bureaucracy that had been intervening too frequently in areas where their intervention, though historic, now was unnecessary and crippling. In short, this was a decision that allowed us to remove a bureaucracy which may have felt it had a cause, but which no longer had any purpose.

If I had to summarize in a single sentence both the philosophy and result of what we did, it would be this: We wanted to provide people who had some confidence in their own ideas and their own abilities an environment in which they would not be penalized for initiative, an environment in which they would be judged according to whether they succeeded or failed.

No, that is not an idea that is easily transferred to the world of public education. As I have noted before, there are some fundamental differences between the world in which you operate and the world in which I operated. I may have had to deal with my board of directors, labor unions, and customers; but I never had to deal simultaneously with the school board, the teachers' union, the PTA, the neighborhood association, the city council, the mayor, the local editorial writers, and parents.

I also had another advantage that you don't have: I could pretty much hire and fire at my own discretion. And if I wanted to know if I made the right decision, I could always look at the profit and loss statement or the price at which our company's stock was trading. In your case, the results may not be clear for many years.

My constituency simply wanted to make a profit. Your constituency is forced to take a lot on faith.

Local leadership will be the key

I have too much respect for the job you do to stand here and recommend that you rush home and decentralize your school system because that idea happened to work for my company several years ago. But I would like you to think about what I said within a very specific context. That context is that, after a period of time in which the major leadership in educational reform came from the states, we are now entering a period when there is a growing need for local leadership. Some issues I have described literally cry out for assertive, independent, and local leadership. Superintendents are in a position to provide—and are capable of providing—this leadership.

The issues are complex, but you may be uniquely positioned to play a leadership role that nobody else can play.

Starting places

There are a number of places to begin. Some are pretty ambitious. Some are more modest. A modest beginning might be to initiate a sorting out process in which superintendents, school boards, principals, teachers, and parents—perhaps with the help of outside consultants—begin to work through the issues involved in developing a system that places more authority and autonomy at the school building level.

If you are feeling more ambitious, there is always the whole set of issues regarding the position and status of teachers within the school system that has to be addressed.

I am not close enough to the issues involved in teacher and school board relations to know how each side now views their respective positions, and of course I know that perspectives will vary from state to state and even district to district. But my business experience has taught me that, when external challenges and pressure become particularly powerful, the adversarial relationships that often exist within institutions begin to moderate, and a rapprochement that once was considered nearly impossible becomes a reality.

It's time to act

Such a situation may now exist in some school districts regarding issues of deep concern to teachers. If it does, or if there is a possibility of this happening, then nobody is better positioned than school administrators to work with the teachers and the school boards to reduce areas of disagreement and to help broker new attitudes that can lead to some exciting new programs. There may not be a more important issue at the present time because, if we are going to have meaningful change or restructuring in our systems of public education, we must have the participation and cooperation of teachers and their organizations.

Once again, it's easy enough for me to stand here and give advice, to talk to you about something in my own experience that may be relevant to you. But you are the ones on the firing line. And after we all leave here, I go back to my business and public interests—but you go back to the difficult job of running your school districts.

As I said at the outset, being a school administrator is a demanding and difficult job. You are overwhelmed with work, pressure, and crises. You don't get enough credit for the successes you have, and you may receive too much blame for problems created by others. Nevertheless, I sincerely believe our school systems stand on the threshold of an unusual opportunity and that you are in an unusual position of leadership.

Yes, it's tough being a school administrator. But this may be one of those rare times when it's also worth it.

Thank you and good luck.

About the Author

William S. Woodside is a long-time leader in both business and education.

Mr. Woodside was elected chairman of the Primerica Corporation (formerly the American Can Company) in 1980 after 30 years of holding a wide variety of management positions. He has been a director of the company since 1975, served as president from 1975 until April 1981, and chief executive officer from 1980 until April 1986. He also serves as president of the Primerica Foundation.

As Primerica Corporation's chairman, Mr. Woodside has been the architect of Primerica's strategic redirection program, which included the sale of the billion-dollar paper products sector and major moves into insurance and financial services.

Born in Columbus, Ohio, in 1922, Mr. Woodside earned a bachelor's degree in business administration from Lehigh University in 1947, and a master's degree in economics from Harvard University in 1950. He joined Primerica Corporation that same year as the company's first economist.

Among Mr. Woodside's many activities in the area of education, he chairs the Education Committee of the New York City Partnership and serves on the Advisory Council of the Carnegie Forum on Education and the Economy. He became chairman of the Board of Directors of the Institute for Educational Leadership in 1987.

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The American Association of School Administrators (AASA) is the professional organization for more than 18,000 educational leaders across the United States and Canada and in many other parts of the world. Members include superintendents of schools; other central administrators; building level administrators (principals); college and university administrators and professors; and administrators from other local, regional, state, and national educational agencies.

Major activities of the association include: the National Academy for School Executives (NASE), National Executive Development Center (NEDC), publications designed to increase the knowledge and skills of educational leaders, governmental relations, conventions, and minority affairs. Special groups within the organization work to assist administrators in small, rural, suburban, urban and regional school districts.

The annual AASA Convention, held in February each year, is designed to provide educational leaders with knowledge and skills that will provide an even better education for students. The annual Legislative Conference, held in the fall in coordination with the American Association of Educational Service Agencies, brings legislators and administrators together in a setting that allows for two-way communication and increased effectiveness.

The American Association of School Administrators, founded in 1865, is one of the most longstanding and prestigious of the nation's educational leadership organizations.

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